



# APPROPRIATIONS UPDATE

HOUSE COMMITTEE ON THE BUDGET  
Majority Caucus

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## DEPARTMENT OF DEFENSE APPROPRIATIONS BILL FOR FISCAL YEAR 2002 Division A – Non-Emergency Appropriations

### SUMMARY

The Department of Defense Appropriations bill reported by the House Committee on Appropriations (H.R. 3338) exceeds the appropriate 302(b) allocation and violates the Congressional Budget Act. Nevertheless, pursuant to the bipartisan agreement between the Congress and the administration, the House Budget Committee has reported a bill (H.R. 3084) increasing the appropriate levels in the

Concurrent Resolution on the Budget for Fiscal Year 2002 (H. Con. Res. 83), and the discretionary spending limits established in the Deficit Control Act. Enactment of this legislation will allow the Committee on Appropriations to revise its subcommittee allocations and, consequently, ensure that the defense appropriations bill complies with the budget resolution as revised.

### COST OF THE LEGISLATION

Division A of H.R. 3338 provides a net of \$317.207 billion in new discretionary budget authority [BA] and \$308.873 billion in outlays for military functions of the Department of Defense. This is an increase of \$24.392 billion in BA and \$29.485 billion in outlays from the fiscal year 2001 enacted amounts (excluding fiscal year 2001 spending in response to terrorist acts), but a reduction of \$1.923 billion in discretionary BA and \$2.069 billion in outlays from the President's request. The bill is below the President's request for military personnel (\$745 million), operations and maintenance (\$2.166 billion), and revolving funds (\$534 million). The principal reductions are to headquarters staff (\$242 million in military personnel), contracted workyears (\$899 million in operations and maintenance and \$57 million in research, development, test, and evaluation), and amounts

available for purchase with the Government purchase card (\$330 million in operations and maintenance). The reductions are partly offset by increases in procurement (\$813 million) and research, development, test, and evaluation (\$702 million). Division A contains neither emergency-designated nor advance appropriations. A breakdown of its major spending categories appears on the reverse side.

Division B of the bill triggers the obligation of \$20.001 billion that was previously appropriated and designated as an emergency by the Emergency Supplemental Appropriations Act in Response to Terrorist Attacks on the United States (Public Law 107-38). The BA results in outlays of \$9.347 billion in fiscal year 2002. These supplemental appropriations are discussed in a separate *Appropriations Update*.

Department of Defense Appropriations Bill <sup>a</sup> (fiscal years; millions of dollars)				
	2001 Enacted	Administration 2002 Request	302(b) for 2002	2002 Bill
Budget Authority	292,815	319,130	299,860	317,207
Outlays	279,388	310,942	293,941	308,873
<sup>a</sup> Excluding FY 2001 amounts released by the President under the terms of the Public Law 107-38, the Emergency Supplemental Appropriations Act for Recovery From and Response to Attacks on the United States.				

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## COMPLIANCE WITH THE BUDGET RESOLUTION

Under the authority granted to the Chairman of the Budget Committee by section 218 of the budget resolution conference report, the allocations to the Appropriations Committee have been increased by \$17.347 billion in BA and \$14.932 billion in outlays to reflect the provisions of this bill. (Section 218 of the budget resolution permits the Chairman to increase the allocations to the Appropriations Committee for increased defense spending.)

Despite that significant increase, however, this bill does not comply with the budget resolution, and will require a waiver of section 302(f) of the Congressional Budget Act to allow consideration. This occurs because the allocations have not

been revised to reflect an additional \$3.4 billion in nondefense spending as was agreed to in recent negotiations between the President and the congressional leadership. But the Budget Committee recently marked up a bill (H.R. 3084) that increases the appropriate levels in the budget resolution and the statutory caps to accommodate the additional nondefense spending. That legislation will allow the Committee on Appropriations to revise its subcommittee allocations and, consequently, ensure that this bill complies with the budget resolution as revised. Any amendment seeking to appropriate additional budget authority, and thereby increase the overall spending in the measure, also will be subject to a point of order under the Budget Act.

## RESCISSIONS

The measure rescinds \$516 million in previously appropriated BA. The principal accounts affected include Air Force research, development, test, and evaluation (\$74 million); Former Soviet Union Threat Reduction (\$64

million); Navy research, development, test, and evaluation (\$49 million); and Navy weapons procurement (\$35 million). Outlay savings flowing from those rescissions total \$183 million in fiscal year 2002.

Discretionary Spending in the Department of Defense Appropriations Bill (in millions of dollars)		
Major Purposes	Budget Authority	Outlays
Military Personnel .....	81,508	81,283
Operations and Maintenance .....	123,427	122,987
<i>Defense Health Program</i> .....	18,276	16,992
Procurement .....	62,192	57,558
Research, Development, Test, and Evaluation .....	48,131	44,475
Revolving and Management Funds .....	1,774	2,103
Other Department of Defense Programs (incl. outlays from transfer authority) .....	17	305
All Other Agencies .....	158	162

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